

STATE OF MONTANA  
MONTANA COAL BOARD  
DEPARTMENT OF COMMERCE  
AUDIT OF COAL BOARD GRANTS  
FOR THE YEAR ENDED JUNE 30, 1992  
CONDUCTED UNDER CONTRACT BY  
VELTKAMP, STANNEBEIN & BATESON, P.C.

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MONTANA COAL BOARD  
DEPARTMENT OF COMMERCE  
AUDIT OF COAL BOARD GRANTS  
FOR THE YEAR ENDED JUNE 30, 1992  
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STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-3122



LEGISLATIVE AUDITOR:  
SCOTT A. SEACAT

LEGAL COUNSEL:  
JOHN W. NORTHEY

DEPUTY LEGISLATIVE AUDITORS:

MARY BRYSON  
Operations and EDP Audit  
JAMES GILLET  
Financial-Compliance Audit  
JIM PELLEGRINI  
Performance Audit

June 1993

The Legislative Audit Committee  
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana Coal Board  
subgrantees for the year ended June 30, 1992.

The audit was conducted by Veltkamp, Stannebein, & Bateson under a  
contract between the firm and our office. The comments and recom-  
mendations contained in this report represent the views of the firm  
and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is  
included in the back of the audit report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat", written over a horizontal line.

Scott A. Seacat  
Legislative Auditor



MONTANA COAL BOARD  
AUDIT OF COAL BOARD GRANTS  
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MONTANA COAL BOARD

AUDIT OF COAL BOARD GRANTS

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MONTANA COAL BOARD  
APPOINTIVE OFFICIALS  
JUNE 30, 1992

<u>Name</u>	<u>Location of Residence</u>	<u>Term Expires</u>
James D. Anderson	Colstrip, MT	01-01-96
Thomas E. Finch	Butte, MT	01-01-96
Helena S. MacIay	Lolo, MT	01-01-96
G. C. (Jerry) Feda, Chairman	Glasgow, MT	01-02-97
Alan D. Evans	Roundup, MT	01-02-97
Roger Knapp	Hysham, MT	01-02-97
James Royan	Missoula, MT	01-02-97

ADMINISTRATIVE OFFICIALS - JUNE 30, 1992

Murdo A. Campbell	Administrative Officer
Richard M. Weddle	Legal Counsel
Donna Grace	Secretary

## MONTANA COAL BOARD

### BACKGROUND

JUNE 30, 1992

The Montana Coal Board was established in 1975 by the Montana Legislature to award grants to local governmental units and state agencies ". . . in meeting the local impact of coal development by enabling them to adequately provide governmental services and facilities which are needed as a direct consequence of coal development." (Sec. 90-6-205, MCA)

The Coal Board is composed of seven members, two of whom are residents of coal-impacted areas, two with expertise in education, and three from such fields as business, engineering, public administration, and planning.

Coal Board grants are funded by 6.65% of the Coal Severance Tax revenue paid into the local impact account.

The administrative staff of the Coal Board, assigned to the Department of Commerce for administrative purposes, is composed of an administrative officer, legal counsel and a Board secretary.

MONTANA COAL BOARD

AUDIT OBJECTIVES

JUNE 30, 1992

- (1) To conduct a financial-compliance audit of the Montana Coal Board grants for the period July 1, 1991 through June 30, 1992.
- (2) To determine if the grantees' financial statements present fairly the grant revenues and expenditures for the year ended June 30, 1992.
- (3) To review the Montana Coal Board and the grantees' compliance with applicable laws and regulations in administering the grants.
- (4) To review operating and financial controls and administration of the Montana Coal Board grants.



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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0313 Rosebud Conservation District/Groundwater Monitoring Continuation for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Rosebud Conservation District pursuant to Grant No. 0313 between the Rosebud Conservation District, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Rosebud Conservation District's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the Rosebud Conservation District pursuant to Montana Coal Board Grant No. 0313 Rosebud Conservation District, for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0313  
AGENCY FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

REVENUE

Montana Coal Board Grant	\$ 21,434
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EXPENDITURES

Water Monitoring	<u>21,434</u>
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EXCESS EXPENDITURES OVER REVENUE	<u>\$ -</u>
----------------------------------	-------------

See accompanying notes to financial statement.

MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0313  
AGENCY FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the department records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the grantee incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund. The grantee accounts for this grant as part of the General Fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0313  
AGENCY FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the grantee in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through an Agency Fund.

2. PURPOSE OF GRANT

This grant provides funds for continued maintenance of the groundwater monitoring program in Rosebud and Big Horn counties for a two-year period. The total grant is for \$100,410. As of June 30, 1992 all of the monies have been expended.

3. GRANT REQUIREMENTS

- (1) Funds advanced quarterly upon receipt of a written request by grantee.
- (2) Submission of approved task force claims and vendors' receipts on a monthly basis to support the expenditure of advanced quarterly funds.
- (3) Completion by September 30, 1991.
- (4) Submission of quarterly progress reports.
- (5) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.





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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0315 Treasure County/Sarpy Road Construction for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Treasure County pursuant to Grant No. 0315 between Treasure County, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of Treasure County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Treasure County pursuant to Montana Coal Board Grant No. 0315 Treasure County, for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993



MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CONSTRUCTION  
GRANT NO. 0315  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 5,043
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EXPENDITURES

Construction, Engineering and Miscellaneous Costs	<u>5,043</u>
---	--------------

EXCESS EXPENDITURES OVER REVENUE	<u>\$ -</u>
----------------------------------	-------------

See accompanying notes to financial statement.

MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CONSTRUCTION  
GRANT NO. 0315  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CONSTRUCTION  
GRANT NO. 0315  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through a Special Revenue Fund.

2. PURPOSE OF GRANT

This grant provides funds for upgrading the existing gravel surface of Sarpy Creek Road in Treasure County, Montana.

3. GRANT REQUIREMENTS

- (1) Submission of invoices, receipts, or certified contractors' reports.
- (2) Completion by September 30, 1991.
- (3) Submission of monthly construction progress reports; quarterly construction progress reports; and quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



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## INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0324 Forsyth School District #4/Middle School Addition for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Forsyth School District #4 pursuant to Grant No. 0324 between the Forsyth School District #4, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Forsyth School District #4's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the Forsyth School District #4 pursuant to Montana Coal Board Grant No. 0324 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
FORSYTH SCHOOL DISTRICT #4  
MIDDLE SCHOOL ADDITION  
GRANT NO. 0324  
CAPITAL PROJECT FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 150,000
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EXPENDITURES

Capital Outlay	<u>150,000</u>
----------------	----------------

EXCESS EXPENDITURES OVER REVENUE	<u>\$ -</u>
----------------------------------	-------------

See accompanying notes to financial statement.

MONTANA COAL BOARD  
FORSYTH SCHOOL DISTRICT #4  
MIDDLE SCHOOL ADDITION  
GRANT NO. 0324  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
FORSYTH SCHOOL DISTRICT #4  
MIDDLE SCHOOL ADDITION  
GRANT NO. 0324  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through the Capital Project Fund.

2. PURPOSE OF GRANT

This grant provides construction funds for an addition to the northeast wing of the Forsyth Middle School to house a library and two Special Education classrooms.

3. GRANT REQUIREMENTS

- (1) Submission of invoices, receipts, or certified contractors' reports.
- (2) Completion of project by December 31, 1991.
- (3) Submission of quarterly construction progress reports and quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.





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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0327 Musselshell County/Comprehensive Planning Project for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Musselshell County pursuant to Grant No. 0327 between Musselshell County, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of Musselshell County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Musselshell County pursuant to Montana Coal Board Grant No. 0327 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993



MONTANA COAL BOARD  
MUSSELSHELL COUNTY  
COMPREHENSIVE PLANNING PROJECT  
GRANT NO. 0327  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

REVENUE

Montana Coal Board Grant	\$ 117,058
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EXPENDITURES

Administration, equipment and contract services	<u>117,058</u>
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EXCESS EXPENDITURES OVER REVENUE	\$ <u><u>-</u></u>
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See accompanying notes to financial statement.

MONTANA COAL BOARD  
MUSSELSHELL COUNTY  
COMPREHENSIVE PLANNING PROJECT  
GRANT NO. 0327  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
MUSSELSHELL COUNTY  
COMPREHENSIVE PLANNING PROJECT  
GRANT NO. 0327  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through the Special Revenue Fund.

2. PURPOSE OF GRANT

This grant provides funds to develop and produce a Comprehensive Planning Document of Musselshell County consisting of a Natural Resource Inventory and Infrastructure Needs Assessment identifying the potential socioeconomic impacts directly associated with the construction and operation of the Meridian Minerals Company Bull Mountain mine project south of Roundup, MT.

3. GRANT REQUIREMENTS

- (1) Submission of invoices, receipts, or certified contractors' reports.
- (2) Completion by December 31, 1992.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0328 Yellowstone County/13th Judicial District Court Automation System for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Yellowstone County pursuant to Grant No. 0328 between Yellowstone County, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of Yellowstone County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Yellowstone County pursuant to Montana Coal Board Grant No. 0328 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
YELLOWSTONE COUNTY  
13TH JUDICIAL DISTRICT COURT AUTOMATION SYSTEM  
GRANT NO. 0328  
CAPITAL PROJECT FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 16,597
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EXPENDITURES

Capital Outlay	<u>16,597</u>
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EXCESS EXPENDITURES OVER REVENUE	\$ <u>-</u>
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See accompanying notes to financial statement.

MONTANA COAL BOARD  
YELLOWSTONE COUNTY  
13TH JUDICIAL DISTRICT COURT AUTOMATION  
GRANT NO. 0328  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

General - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

Debt Service Fund - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

Capital Projects Fund - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

Internal Service Fund - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
YELLOWSTONE COUNTY  
13TH JUDICIAL DISTRICT COURT AUTOMATION  
GRANT NO. 0328  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through the Capital Project Fund.

2. PURPOSE OF GRANT

This grant provides funds for the purchase of hardware and software for a mid-range multi-user computer system for the 13th Judicial District.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by June 30, 1993.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.





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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0333 the City of Forsyth/City Shop Facility for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the City of Forsyth pursuant to Grant No. 0333 between the City of Forsyth, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the City of Forsyth's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the City of Forsyth pursuant to Montana Coal Board Grant No. 0333 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein + Bateson*

May 14, 1993



MONTANA COAL BOARD  
CITY OF FORSYTH  
CITY SHOP FACILITY PURCHASE  
GRANT NO. 0333  
CAPITAL PROJECT FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 92,500
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EXPENDITURES

Capital Outlay	<u>92,500</u>
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EXCESS EXPENDITURES OVER REVENUE	\$ <u>-</u>
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See accompanying notes to financial statement.

MONTANA COAL BOARD  
CITY OF FORSYTH  
CITY SHOP FACILITY PURCHASE  
GRANT NO. 0333  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
CITY OF FORSYTH  
CITY SHOP FACILITY PURCHASE  
GRANT NO. 0333  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through the Capital Project Fund.

2. PURPOSE OF GRANT

This grant provides funds for the purchase of land and buildings located at 283 East Front Street in Forsyth, MT to serve as the city shop facility for the City of Forsyth.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by December 31, 1991.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0339 Ashland Water and Sewer District/Deep Water Well for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Ashland Water and Sewer District pursuant to Grant No. 0339 between Ashland Water and Sewer District, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of Ashland Water and Sewer District's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Ashland Water and Sewer District pursuant to Montana Coal Board Grant No. 0339 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
ASHLAND WATER AND SEWER DISTRICT  
DEEP WATER WELL CONSTRUCTION  
GRANT NO. 0339  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 15,400
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EXPENDITURES

Capital Outlay	<u>15,400</u>
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EXCESS EXPENDITURES OVER REVENUE	\$ <u>-</u>
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See accompanying notes to financial statement.

MONTANA COAL BOARD  
ASHLAND WATER AND SEWER DISTRICT  
DEEP WATER WELL CONSTRUCTION  
GRANT NO. 0339  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

2. PURPOSE OF GRANT

This grant provides funds to contract for the drilling and installation of a new deep water well for the Ashland Water and Sewer District.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by October 31, 1991.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



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### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0340 the City of Billings/Processing Center Equipment for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the City of Billings pursuant to Grant No. 0340 between the City of Billings, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the City of Billings' revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the City of Billings pursuant to Montana Coal Board Grant No. 0340 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993



MONTANA COAL BOARD  
CITY OF BILLINGS  
PROCESSING CENTER EQUIPMENT PURCHASE  
GRANT NO. 0340  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 3,478
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EXPENDITURES

Capital Outlay	<u>3,478</u>
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EXCESS EXPENDITURES OVER REVENUE	\$ <u>-</u>
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See accompanying notes to financial statement.



MONTANA COAL BOARD  
CITY OF BILLINGS  
PROCESSING CENTER EQUIPMENT  
GRANT NO. 0340  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
CITY OF BILLINGS  
PROCESSING CENTER EQUIPMENT  
GRANT NO. 0340  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through a Special Revenue Fund.

2. PURPOSE OF GRANT

This grant provides funds for the purchase of furnishings and equipment for the DUI Processing Center located in the Yellowstone County Detention Facility in Billings, MT.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by June 30, 1993.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



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**INDEPENDENT AUDITORS' REPORT**

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0341 Treasure County/Sarpy Road Chip Seal for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Treasure County pursuant to Grant No. 0341 between Treasure County, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of Treasure County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Treasure County pursuant to Montana Coal Board Grant No. 0341 Treasure County, for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CHIP SEAL  
GRANT NO. 0341  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

REVENUE

Montana Coal Board Grant \$ 209,829

EXPENDITURES

Construction and Miscellaneous Costs 209,829

EXCESS EXPENDITURES OVER REVENUE \$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CHIP SEAL  
GRANT NO. 0341  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
TREASURE COUNTY  
SARPY ROAD CHIP SEAL  
GRANT NO. 0341  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through a Special Revenue Fund.

2. PURPOSE OF GRANT

This grant provides funds for chip sealing approximately 16.5 miles of the Sarpy Creek Road in the southern portion of Treasure County.

3. GRANT REQUIREMENTS

- (1) Submission of invoices, receipts, or certified contractors' reports.
- (2) Completion by December 31, 1991.
- (3) Submission of monthly construction progress reports; quarterly construction progress reports; and quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.





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**INDEPENDENT AUDITORS' REPORT**

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0342 Rosebud County/Law Enforcement Vehicle Purchase for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Rosebud County pursuant to Grant No. 0342 between Rosebud County, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Rosebud County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of Rosebud County pursuant to Montana Coal Board Grant No. 0342 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
ROSEBUD COUNTY  
LAW ENFORCEMENT VEHICLE PURCHASE  
GRANT NO. 0342  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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REVENUE

Montana Coal Board Grant	\$ 37,600
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EXPENDITURES

Capital Outlay	<u>37,600</u>
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EXCESS EXPENDITURES OVER REVENUE	<u>\$ -</u>
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See accompanying notes to financial statement.



MONTANA COAL BOARD  
ROSEBUD COUNTY  
LAW ENFORCEMENT VEHICLE PURCHASE  
GRANT NO. 0342  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
ROSEBUD COUNTY  
LAW ENFORCEMENT VEHICLE PURCHASE  
GRANT NO. 0342  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through a Special Revenue Fund.

2. PURPOSE OF GRANT

This grant provides funds for the purchase of two new patrol vehicles for the Sheriff's Department of Rosebud County, MT.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by December 31, 1991.
- (3) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



**VELTKAMP, STANNEBEIN & BATESON**

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0343 and 0351 Eastern Coal Counties Task Force/Law Enforcement Support for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Eastern Coal Counties Task Force pursuant to Grant No. 0343 and 0351 between the Eastern Coal Counties Task Force, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Eastern Coal Counties Task Force's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the Eastern Coal Counties Task Force pursuant to Montana Coal Board Grant No. 0343 and 0351 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
EASTERN COAL COUNTIES TASK FORCE  
LAW ENFORCEMENT SUPPORT  
GRANT NO. 0343 AND 0351  
SPECIAL REVENUE FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

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	<u>DARE PROGRAM</u>	<u>TASK FORCE</u>	<u>TOTAL</u>
<b><u>REVENUES:</u></b>			
Grant No. 0343	\$ 30,000	\$ 262,000	\$ 292,000
Grant No. 0351	-	57,699	57,699
Accrued grant revenue	<u>-</u>	<u>1,432</u>	<u>1,432</u>
	30,000	321,131	351,131
 <b><u>EXPENDITURES:</u></b>			
Operation and Undercover costs	<u>30,000</u>	<u>321,131</u>	<u>351,131</u>
 <b>EXCESS EXPENDITURES OVER REVENUE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statement.

MONTANA COAL BOARD  
EASTERN COAL COUNTIES TASK FORCE  
LAW ENFORCEMENT SUPPORT  
GRANT NO. 0343 AND 0351  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
EASTERN COAL COUNTIES TASK FORCE  
LAW ENFORCEMENT SUPPORT  
GRANT NO. 0343 AND 0351  
SPECIAL REVENUE FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grants are accounted for through a Special Revenue Fund.

2. PURPOSE OF GRANT

These grants provide supportive services for the Nine County Law Enforcement Departments in the Coal Development Region of Southeastern Montana.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by June 30, 1993.
- (3) Submission of quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.





VELTKAMP, STANNEBEIN & BATESON  
A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

320 WEST LAMME, P.O. BOX 1965  
BOZEMAN, MONTANA 59711-1965  
PHONE 406-587-1277  
FAX 406-587-8794

### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0346 the Town of Lodge Grass/Water System Rehabilitation for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Town of Lodge Grass pursuant to Grant No. 0346 between the Town of Lodge Grass, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Town of Lodge Grass's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the Town of Lodge Grass pursuant to Montana Coal Board Grant No. 0346 for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993



MONTANA COAL BOARD  
TOWN OF LODGE GRASS  
WATER SYSTEM REHABILITATION  
GRANT NO. 0346  
CAPITAL PROJECT FUND  
STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

REVENUE

Montana Coal Board Grant \$ 178,041

EXPENDITURES

Capital Outlay 178,041

EXCESS EXPENDITURES OVER REVENUE

\$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD  
TOWN OF LODGE GRASS  
WATER SYSTEM REHABILITATION  
GRANT NO. 0346  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.

MONTANA COAL BOARD  
TOWN OF LODGE GRASS  
WATER SYSTEM REHABILITATION  
GRANT NO. 0346  
CAPITAL PROJECT FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through the Capital Project Fund.

2. PURPOSE OF GRANT

This grant provides funds for emergency repairs to the water system for the Town of Lodge Grass to include the City Hall main well discharge piping, School Hill well modifications, well telemetry system, leak detection/engineering survey, system repairs and engineering design and field surveys.

3. GRANT REQUIREMENTS

- (1) Submission of invoices or receipts.
- (2) Completion of project by June 30, 1992.
- (3) Submission of monthly and quarterly construction progress reports and quarterly status reports.
- (4) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992. The Mayor and Clerk were no longer employed at the time of our audit. We obtained our information from the Helena Coal Board office.



**VELTKAMP, STANNEBEIN & BATESON**  
A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

220 WEST LAMME, P.O. BOX 1965  
BOZEMAN, MONTANA 59711-1965  
PHONE 406-587-1277  
FAX 406-587-8794

### INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0348 Rosebud Conservation District/Groundwater Monitoring Continuation for the year ended June 30, 1992. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Rosebud Conservation District pursuant to Grant No. 0348 between the Rosebud Conservation District, grantee, and the Montana Coal Board, grantor, as described in Note 1, and is not intended to be a complete presentation of the Rosebud Conservation District's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly in all material respects, the grant revenues and expenditures of the Rosebud Conservation District pursuant to Montana Coal Board Grant No. 0348 Rosebud Conservation District, for the year ended June 30, 1992, in conformity with the basis of accounting described in Note 1.

*Veltkamp, Stannebein & Bateson*

May 14, 1993

MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0348  
AGENCY FUND

STATEMENT OF GRANT REVENUE AND EXPENDITURES  
FOR THE PERIOD FROM JULY 1, 1991 THROUGH JUNE 30, 1992

---

REVENUE

Montana Coal Board Grant \$ 9,493

EXPENDITURES

Water Monitoring 9,493

EXCESS EXPENDITURES OVER REVENUE \$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0348  
AGENCY FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the department records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the grantee incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee uses the following funds:

Governmental Funds

**General** - to account for all financial resources except those required to be accounted for in another fund. The grantee accounts for this grant as part of the General Fund.

**Special Revenue Fund** - to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

**Debt Service Fund** - to account for accumulated resources for the payment of General Long-Term Debt principal and interest.

**Capital Projects Fund** - to account for resources used for purchase or construction of major capital facilities.

Proprietary Funds

**Internal Service Fund** - to account for providing goods or services to other agencies or departments on a cost-reimbursement basis.



MONTANA COAL BOARD  
ROSEBUD CONSERVATION DISTRICT  
GROUNDWATER MONITORING CONTINUATION  
GRANT NO. 0348  
AGENCY FUND  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 1992

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund - to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; or (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the grantee in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. (Agency Funds, Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds)

As noted above, this Coal Board Grant is accounted for through an Agency Fund.

2. PURPOSE OF GRANT

This grant provides funds for continued maintenance for twenty-one months and installation of one new spoils well for the existing Groundwater Monitoring Program in Rosebud and Big Horn Counties with the overall objective to provide knowledge of long-term impacts of coal mining on Eastern Montana's groundwater resources.

3. GRANT REQUIREMENTS

- (1) Funds advanced quarterly upon receipt of a written request by grantee.
- (2) Submission of approved task force claims and vendors receipts on a monthly basis to support the expenditure of advanced quarterly funds.
- (3) Completion by June 30, 1993.
- (4) Submission of quarterly progress reports.
- (5) Submission of project completion report.

The grantee was in compliance with all significant grant requirements as of June 30, 1992.



## ROSEBUD CONSERVATION DISTRICT

P.O. Box 1200  
FORSYTH, MONTANA 59327  
(406) 356-7479

June 1, 1993

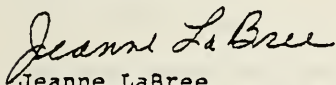
Veltkamp, Stannebein and Bateson, P.C.  
P.O. Box 1965  
Bozeman, MT 59715

Attn: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #313 and 348.

Please be advised that the Rosebud Conservation District Does concur with your report.

Sincerely,



Jeanne LaBree  
Administrative Secretary-Treasurer

# Board of County Commissioners

---

Members:  
~~Henry DeCook~~ Ole Redland  
~~George A. Cramer~~  
M. E. "Dick" Woelich

P.O. Box 392  
Hysham, MT 59038  
(406) 342-5547

May 21, 1993

Veltkamp, Stannebein and Bateson, P.C.  
P. O. Box 1965  
Bozeman, MT 59715

Attn: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #315 and 341.

Please be advised that Treasure County does concur with your report.

Sincerely,



Ole Redland  
Chairman



## FORSYTH PUBLIC SCHOOL

*The Dogies*

SCHOOL DISTRICT NO. 4

AND

FORSYTH HIGH SCHOOL DISTRICT

P.O. BOX 319

FORSYTH, MONTANA 59327

FAX (406) 358-7455

FRED T. SEYBERT, Superintendent ..... Phone 358-2798  
ROBERT J. MARTELLE, District Clerk / Business Manager ..... Phone 358-2798  
CONNIE COPE, Payroll Clerk ..... Phone 358-2797  
ED J. PETERSON, High School Principal ..... Phone 358-2705  
CATHY BYRON, Middle School Principal ..... Phone 358-2791  
ELLIS ROBERTS PARRY, Elementary School Principal ..... Phone 358-2988  
DENNIS KOPITZKE, Activities Director ..... Phone 358-2705

May 25, 1993

Veltkamp, Stannebein and Bateson, P.C.  
Box 1965  
Bozeman, Montana 59715

Attn: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #0324.

Please be advised that School District #4 does concur with your report.

Sincerely,

Robert J. Martelle, C.P.A.  
District Clerk/Business Manager

RJM/tl



CENTRAL MONTANA  
RESOURCE CONSERVATION & DEVELOPMENT AREA

June 7, 1993

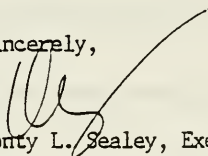
Veltkamp, Stannebein &  
Bateson  
220 West Lamme  
P.O. Box 1965  
Bozeman, Montana  
59771-1965

RE: MT. Coal Board Grant 0327

Dear Ms. Freese

As per your letter and report to me dated June 3, 1993, this note is to inform you that I do concur with your report. I have received and reviewed copies of the same and have provided copies to other interested parties, including the Planning Board membership. Thank you.

Sincerely,

  
Monty L. Sealey, Exec. Dir.

# County of Yellowstone



FINANCE

(406) 256-2793

Box 35003  
Billings, MT 59107

June 1, 1993

Veltkamp, Stannebein and Bateson, P.C.  
P. O. Box 1965  
Bozeman, MT 59715

Attn: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #328.

Please be advised that Yellowstone County does concur with your report.

Sincerely,

Scott Turner  
Finance Director

/sw

**City of Forsyth**  
**State of Montana**

P.O. Box 226  
Forsyth, Montana 59327  
(406) 356-2521

OFFICE OF: Mayor  
City Clerk Treasurer

May 25, 1993

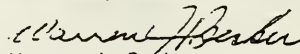
Veltkamp, Stannebein and Bateson, P.C.  
P.O. Box 1965  
Bozeman, MT 59715

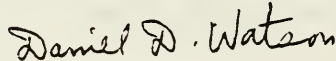
ATTN: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #0333.

Please be advised that the City of Forsyth does concur with your report.

Sincerely,

  
Warren J. Becker  
MAYOR

  
Daniel D. Watson, CMC  
CITY CLERK-TREASURER

Enclosure  
cc: Mayor, Council, Files

May 24, 1993

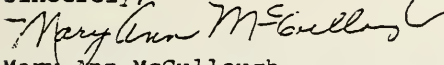
Veltkamp, Stannebein and Bateson, P.C.  
P.O. Box 1965  
Bozeman, Mt. 59715

Attention: Stefani S. Freese

We are in receipt of your draft copy of the audit report  
relative to the Montana Coal Board Project #0339.

Please be advised that the Ashland Water and Sewer District does  
concur with your report.

Sincerely,

A handwritten signature in cursive script, reading "Mary Ann McCullough". The signature is written in dark ink and is positioned above the printed name.

Mary Ann McCullough  
County Commissioner Appointee  
Board Member  
Ashland, Montana 59003





# CITY OF BILLINGS

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

P.O. BOX 1178  
BILLINGS, MONTANA 59103  
(406) 657-8207  
FACSIMILE (406) 657-8390



Finance Division	657-8207
Motor Pool Division	657-8229
Parking Division	657-8412
Purchasing Division	657-8216
City Court Receipts & Records Division	657-8490

July 1, 1992

Veltkamp, Stannebein & Bateson, P.C.  
PO Box 1965  
Bozeman, MT 59715  
ATTN: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #0340.

Please be advised that the City of Billings does concur with your report.

Sincerely,

Nathan R. Tubergen, Director  
Finance & Administrative Services

NRT/skl

cc: John Guenthner, Controller

C:\wpwin\audit\99999998

# Rosebud County

Forsyth, Montana 59327

Commissioners:  
Donald Bailey  
Mark Pinkerton  
Duane C. Martens

Clerk & Recorder:  
Geraldine Nile

Treasurer:  
Sharon Lincoln

Clerk of District Court:  
Manilyn Hollister

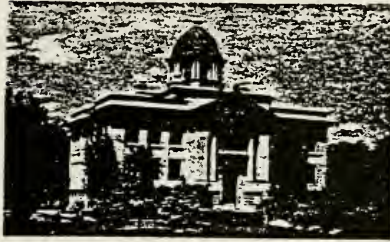
Assessor:  
Donna Kennedy

Attorney:  
John Forsythe

Superintendent of  
Schools:  
Sharyn Thomas

Justice of the Peace:  
David J. Polley - Forsyth  
Ann Wagner - Colstrip

Sheriff:  
Kurt Seward



June 4, 1993

Veltkamp, Stannebein and Bateson, P.C.  
P. O. Box 1965  
Bozeman, Mt. 59715


Attn: Stefani S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #342.

Please be advised that Rosebud County does concur with your report.

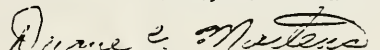
Sincerely,

ROSEBUD COUNTY COMMISSIONERS

  
MARK PINKERTON, CHAIRMAN

(absent)

DONALD P. BAILEY, VICE-CHAIRMAN

  
DUANE C. MARTENS, MEMBER

RCC/mw

STATE  
OF  
MONTANA  
DEPARTMENT OF JUSTICE  
CENTRAL SERVICES DIVISION

Justice Building, 215 North Sanders, Helena, Montana 59620 (406) 444-3800

May 24, 1993

Veltkamp, Stannebein and Bateson, P.C.  
P.O. Box 1965  
Bozeman, MT 59715

Attn: Stefani S. Freese

The Department of Justice is in receipt of your draft copy of the audit report relative to the Montana Coal Board Project #0343 and 0351.

I have made changes to your schedule (in red) to reflect the expenditures of the "Task Force" portion of the grant as reported by us.

I cannot comment on the "DARE" portion of the grant since we did not account for those monies.

Sincerely,

  
Terry Cannon  
Central Services Manager



VELTKAMP, STANNEBEIN & BATESON  
A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

320 WEST LAYME, P.O. BOX 1965  
BOZEMAN, MONTANA 59711-1965  
PHONE 406-587-1277  
FAX 406-587-8794

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE-RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the financial statements of the various grantees of the Montana Coal Board for the year ended June 30, 1992, and have issued our reports thereon dated May 14, 1993.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of the various grantees of the Montana Coal Board for the year ended June 30, 1992, we considered their internal control structures in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The various grantees and the Montana Coal Board are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by administrative officials are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide the administrative officials with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with the administrative officials' authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories: Cash disbursements, cash receipts, payroll, and grants.

For all of the control categories listed above, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Legislative Audit Committee of the Montana State Legislature and the Montana Coal Board. However, this report is a matter of public record and its distribution is not limited.

*Veltkamp, Stannellien + Bateson*

May 14, 1993



VELTKAMP, STANNEBEIN & BATESON  
A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

220 WEST LAMME, P.O. BOX 1965  
BOZEMAN, MONTANA 59771-1965  
PHONE 406-587-1277  
FAX 406-587-8794

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH APPLICABLE STATE AND FEDERAL LAWS AND REGULATIONS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

The Legislative Audit Committee of  
the Montana State Legislature and  
the Montana Coal Board

We have audited the financial statements of the various grantees of the Montana Coal Board for the year ended June 30, 1992, and have issued our reports thereon dated May 14, 1993. We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Montana Coal Board is the responsibility of the Montana Coal Board's and the grantees' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Montana Coal Board and the grantees' compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Montana Coal Board and the grantees complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Montana Coal Board and the grantees had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Committee of the Montana State Legislature and the Montana Coal Board. However, this report is a matter of public record and its distribution is not limited.

*Veltkamp, Stannebein & Bateson*

May 14, 1993









